



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 10, 2022

**TO:** USAID/Afghanistan Mission Director, Peter Duffy

**FROM:** USAID OIG Asia Regional Office USDH NFA Coordinator, James C. Charlifue /s/

**SUBJECT:** Financial Audit of Costs Incurred by Cooperative for Assistance and Relief Everywhere, Inc. Under the Livelihood Advancement for Marginalized Population Project in Afghanistan, Cooperative Agreement 72030618CA00007, August 1, 2018 to December 30, 2020 (5-306-22-004-N)

This memorandum transmits the final audit report on the costs incurred by Cooperative for Assistance and Relief Everywhere, Inc. (CARE) under the Livelihood Advancement for Marginalized Population (LAMP) Project. USAID/Afghanistan contracted with the independent auditor Castro & Company, LLC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CARE's schedule of costs incurred; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether CARE's schedule of costs incurred for the period audited were presented fairly, in all material respects; (2) evaluate CARE's internal controls; (3) determine whether CARE complied with award terms and applicable laws and regulations (including cost sharing, if applicable), in all material respects; and (4) determine whether CARE had taken corrective actions on prior-period findings and recommendations. For the LAMP Project, the audit covered revenues and costs of \$3,752,309 for the audited period.

The audit firm concluded that the schedule of costs incurred for the LAMP Project presented fairly, in all material respects, project revenues and costs incurred under their respective award

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<sup>1</sup> We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

for the period audited. The audit firm did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance.

The audit firm reviewed and determined that cost-sharing/counterpart contribution funds are not applicable to the cooperative agreement under audit. In addition, there were no prior year audits conducted, and therefore no prior year recommendations.

During our desk review, we noted two minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memorandum to the mission controller, dated February 10, 2022.

The report does not include any recommendations.

The OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").